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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. CHETAN KAPUR; LILABOC, LLC, d/b/a THINKSTRATEGY CAPITAL MANAGEMENT, LLC, Defendants.	:	Civil Action No. ________

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

SUMMARY

1. This action involves a pattern of deceptive conduct by unregistered hedge fund adviser Lilaboc, LLC d/b/a ThinkStrategy Capital Management, LLC ("ThinkStrategy") and its sole managing principal, Chetan Kapur. ThinkStrategy and Kapur managed and advised two hedge funds: (i) ThinkStrategy Capital Fund ("Capital Fund"), an equities-trading fund that ceased operations in 2007; and (ii) TS Multi-Strategy Fund ("Multi-Strategy Fund"), a fund of hedge funds. At its peak in 2008, ThinkStrategy managed approximately $520 million in assets.

2. Over nearly seven years, ThinkStrategy and Kapur misrepresented to their investors various information concerning the funds' investment performance, longevity, assets, and the credentials and experience of ThinkStrategy's management team.

3. In addition, with respect to the Multi-Strategy Fund, ThinkStrategy and Kapur misstated the scope and quality of their due diligence checks on certain managers and funds selected for inclusion in the hedge fund's portfolio. Although ThinkStrategy and Kapur told investors that all funds in the portfolio would be selected using a rigorous due diligence process, including having reputable service providers, they instead selected several funds that failed to meet

this standard. As a result, the Multi-Strategy Fund made investments in several hedge funds that were later revealed to be Ponzi schemes or other serious frauds, including Bayou Superfund, Valhalla/Victory Funds, and Finvest Primer Fund. Had ThinkStrategy adhered to its stated due diligence standards, and required audited financial statements certified by bona fide accounting firms, the Multi-Strategy Fund may not have invested detrimentally in those funds.

4. By their conduct alleged herein, Defendants engaged in and, unless restrained and enjoined by the Court, may continue to engage in, transactions, acts, practices, and courses of business that violate Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Section 206(4) of the Investment Advisers Act of 1940 (the "Advisers Act") [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

5. The Commission seeks a judgment from the Court: (a) enjoining the Defendants from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint and transactions, acts, practices, and courses of business of similar purport and object; (b) requiring Defendants to disgorge, with prejudgment interest, the illegal profits and proceeds they obtained as a result of their actions alleged herein; and (c) requiring Defendants to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act, Section 21(d)(3) of the Exchange Act, and Section 209(e) of the Advisers Act [15 U.S.C. §§ 77t(d), 78u(d)(3), and 80b-9(e)].

JURISDICTION

6. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act, Sections 21(d), 21(e) and 27 of the Exchange Act, and Section 214 of the Advisers Act [15 U.S.C. §§ 77t(b), 77t(d), 77v(a), 78u(d), 78u(e), 78aa, and 80b-14].

7. The Defendants made use of the means and instrumentalities of interstate commerce or of the mails in connection with the acts, practices, and courses of business alleged herein, certain of which occurred within the Southern District of New York. Venue is proper in

this District pursuant to Section 22(a) of the Securities Act, Section 27 of the Exchange Act, and Section 214 of the Advisers Act [15 U.S.C. §§ 77v(a), 78aa, and 80b-14].

THE PARTIES

8. The Plaintiff is the Securities and Exchange Commission, which brings this civil action pursuant to authority conferred on it by Section 20(b) of the Securities Act, Section 21(d)(1) of the Exchange Act, and Section 209 of the Advisers Act [15 U.S.C. §§ 77t(b), 78u(d)(1), and 80b-9].

9. Defendant Chetan Kapur, age 36, is a citizen of India and a resident of New York. He is the founder and sole managing director of ThinkStrategy.

10. Defendant Lilaboc, LLC d/b/a ThinkStrategy Capital Management, LLC is a Delaware limited liability company formed in November 2002, with its principal place of business in New York, New York. ThinkStrategy served as general partner and investment adviser to TS Multi-Strategy Fund and ThinkStrategy Capital Fund. ThinkStrategy has never been registered with the Commission.

RELATED ENTITIES

11. ThinkStrategy Capital Fund, L.P. and ThinkStrategy Capital Fund, Ltd. (collectively, the "Capital Fund") were sister hedge funds organized in an onshore/offshore structure in the U.S. and British Virgin Islands, and managed by ThinkStrategy from 2003 through late 2007 when it ceased operations. Capital Fund employed an equities trading investment strategy and utilized two share classes, an A class that Kapur traded himself through a series of brokerage firms ("Capital Fund-A") and a B class in which Kapur allocated capital to three different sub-managers ("Capital Fund-B"). Capital Fund was relatively small, with 16 distinct investors and $12 million or less in assets over its four year history.

12. TS Multi-Strategy Fund, L.P. and TS Multi-Strategy Fund, Ltd. (collectively, the "Multi-Strategy Fund") are sister hedge funds organized in an onshore/offshore structure in the U.S. and British Virgin Islands, and managed by ThinkStrategy from 2004 until November 2010,

when the funds entered into voluntary liquidation and were placed under the control of court-appointed receivers. Multi-Strategy Fund employed a fund-of-funds strategy in which it invested solely in other hedge funds and utilized two share classes, a leveraged A class ("Multi-Strategy Fund-A") and an unleveraged B class ("Multi-Strategy Fund-B"). At its peak in 2008, Multi-Strategy Fund had approximately $520 million in assets and 90 distinct investors.

FACTUAL ALLEGATIONS

Background

13. Kapur formed ThinkStrategy in 2002 to serve as investment adviser to a hedge fund he planned to launch. Kapur managed ThinkStrategy himself and was at all times the firm's sole managing director and controlling principal.

14. In July 2003, he formed Capital Fund, a long-short, market-neutral hedge fund that began trading in mid-2003.

15. In mid-2004, Kapur founded a fund of hedge funds, the Multi-Strategy Fund, which began making investments in other hedge funds in September 2004.

16. In 2006, Kapur started Capital Fund-B, a second share class for Capital Fund, which allocated capital to three independent sub-advisers who were authorized to trade the account. Capital Fund-B began trading in October 2006.

17. Similarly in 2007, Kapur created Multi-Strategy Fund-B, an unleveraged share class of Multi-Strategy Fund that made its first sub-fund investment in January 2008.

Misrepresentations Concerning Performance and Assets

18. From at least 2003 through mid-2009, ThinkStrategy and Kapur disseminated false and materially misleading information to investors concerning the performance, longevity, and assets of Capital Fund and Multi-Strategy Fund.

19. Beginning as early as 2004, ThinkStrategy and Kapur materially overstated Capital Fund-A's performance, giving investors the false impression that the fund's track record was consistently positive and minimally volatile compared to hedge funds using a similar strategy.

20. Even though Capital Fund-A had liquidated by late-2006 and ceased all trading by early 2008, ThinkStrategy continued reporting overstated results for Capital Fund-A through the first quarter of 2009.

21. ThinkStrategy and Kapur reported these results to current and prospective investors through mailings, e-mail, and postings on commercial hedge fund websites such as Barclay Hedge, Hedgeco, and Morningstar.

22. ThinkStrategy publicly reported that Capital Fund-A had achieved positive annual returns in each year from 2003 through 2008, and double-digit annual returns in four of those six years.

23. In fact, Capital Fund-A had only one year of positive performance from 2003 through 2008 and had sustained significant losses in several years.

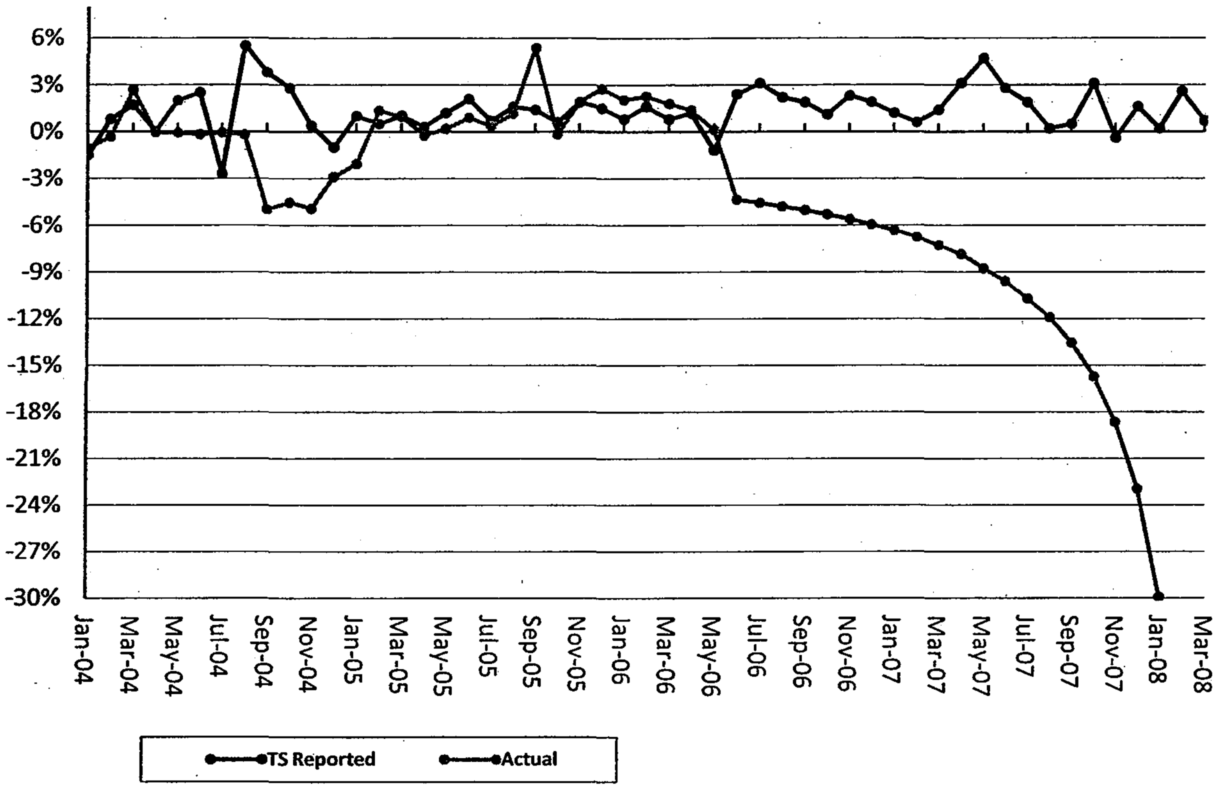
24. A comparison of the annual performance returns reported by ThinkStrategy and the actual returns are as follows:

Table 1: Capital Fund-A, Reported v. Actual Returns (Annual)

Year	ThinkStrategy Reported	Actual
2003	6.9%	-4.2%
2004	14.9%	-15.7%
2005	14.7%	13.0%
2006	19.6%	-25.2%
2007	22.6%	-77.9%
2008	4.6%	-89.9%

25. ThinkStrategy's month-to-month reporting of Capital Fund-A's performance results was also false and materially misleading. As illustrated by the graph below, Capital Fund-A's reported monthly returns from 2004 to 2008 portray the fund as having achieved consistently positive and smooth returns with only a few negative months. In reality, the fund had numerous negative months, fell sharply in or about June 2006, and never rebounded.

Figure 1: Capital Fund-A, Reported v. Actual Returns (Monthly)



26. From 2003 to 2006, Capital Fund-A had less than ten investors at any given time and a relatively small asset value, ranging from a few thousand dollars to as high as $10 million. By early 2006, the fund had ceased accepting new investors and the few remaining outside investors in Capital Fund-A were mostly or fully redeemed.

27. For the next three years, however (even beyond the period shown in Figure 1), ThinkStrategy and Kapur continued reporting mostly positive returns to investors in other ThinkStrategy funds, to prospective investors, and to the investing public at large.

28. In this way, Kapur was able to market his "successful" record in Capital Fund-A and draw investors into Capital Fund-B and the Multi-Strategy Fund.

29. Kapur had sole and ultimate authority for all of Capital Fund-A's performance misrepresentations. The performance returns for Capital Fund-A were calculated and generated by Kapur himself, without the assistance of anyone else. Although three different employees handled

investor communications over the years, Kapur always generated the performance information and gave final approval for all postings on commercial hedge fund websites and performance-related communications to investors.

30. ThinkStrategy did not use a third party to independently generate or verify Capital Fund-A performance data. During its six years of reporting activity, Capital Fund-A never used an outside administrator, custodian, or auditor, with one exception.

31. At the end of 2003, Capital Fund-A's first year of operation, ThinkStrategy generated financial statements that were audited by an accounting firm. Although these financial statements showed that Capital Fund had generated a negative performance return (-4.24%) for 2003, ThinkStrategy did not provide them to investors. Rather, ThinkStrategy and Kapur reported a positive year-end performance return of 6.9% for 2003 in marketing materials, investor communications, and on commercial hedge fund websites. The discrepancy between the reported and audited results was so significant that ThinkStrategy's director of investor relations resigned upon discovering it.

32. ThinkStrategy started the Capital Fund-B share class in 2006, based in part on the purportedly successful track record of Capital Fund-A. Capital Fund-B employed an equities trading strategy using three independent sub-advisers to trade on the fund's behalf.

33. In July 2007, one of the sub-advisors suffered significant trading losses, resulting that month in a -25% return in the overall fund. Kapur reported the loss accurately to investors in a July 2007 newsletter, but assured them that the fund would recover by year's end. ThinkStrategy and Kapur then reported steady positive performance for the remainder of 2007 and a 19.9% return in December 2007, purportedly giving the fund a positive, albeit modest, gain for the year. ThinkStrategy thereafter quickly wound down Capital Fund-B and redeemed all investors.

34. In fact, Capital Fund-B did not recover from the July 2007 loss through a long-term hedge or other skillful trading. Rather, the fund continued losing money from trading throughout 2007, resulting in an annual 2007 return of -31.9%, as set forth below.

Table 2: Capital Fund-B, Reported v. Actual Returns (Monthly)

Month	ThinkStrategy Reported	Actual
Jul. 2007	-25.7%	-25.6%
Aug. 2007	0.0%	-2.4%
Sep. 2007	10.1%	13.1%
Oct. 2007	1.5%	-1.9%
Nov. 2007	1.0%	-18.3%
Dec. 2007	19.9%	3.1%
Year End	**0.9%**	**-31.9%**

35. ThinkStrategy was able to redeem Capital Fund-B investors, despite the undisclosed losses, because the sub-adviser responsible for the July 2007 loss later agreed to reimburse the fund approximately $1 million. This reimbursement occurred in February 2008, many months after Capital Fund-B's purported recovery and rebound in the latter half of 2007.

36. ThinkStrategy's reporting of Capital Fund-B's performance returns during the last five months of 2007 was materially inaccurate and gave investors the false impression that Kapur had salvaged the fund through his own trading expertise.

Longevity and Past Performance of Capital Fund and Multi-Strategy Fund

37. In a further effort to attract investments, ThinkStrategy and Kapur repeatedly deceived investors about the longevity and performance history of their managed funds.

38. For example, in marketing materials sent to current and prospective investors, and on commercial hedge fund websites, ThinkStrategy claimed that Capital Fund-A began trading in January 1998.

39. ThinkStrategy supported this misrepresentation with a history of purported monthly returns dating from January 1998 through July 2003.

40. In fact, Capital Fund-A did not begin trading until July 2003.

41. The impact of Capital Fund-A's false inception date and track record was highly material, because it gave the appearance that ThinkStrategy and Kapur possessed an additional five years of fund management experience and successful performance history.

42. ThinkStrategy and Kapur made similar misrepresentations about the inception and track record of the other ThinkStrategy funds. Capital Fund-B only began trading in October 2006, yet ThinkStrategy reported actual returns for the fund dating back to January 2006, erroneously crediting the fund with an extra nine months of experience and positive performance.

43. In addition, Multi-Strategy Fund-A and Multi-Strategy Fund-B began making investments in September 2004 and January 2008, respectively, yet ThinkStrategy reported unsupported monthly performance returns dating back to January 2003 and January 2007, respectively.

44. In each case, there was no legitimate or actual fund investment activity to corroborate the reported results, nor was there a disclaimer in ThinkStrategy's marketing materials that returns were based on pro forma, simulated, or model investing. In this way, ThinkStrategy and Kapur exaggerated their experience, creating a more attractive track record for potential investors. Kapur was responsible for generating the historical performance numbers and had ultimate authority over all performance-related communications.

Fund Assets and Firm Assets Under Management

45. Throughout the relevant period, ThinkStrategy and Kapur repeatedly inflated ThinkStrategy's assets under management ("AUM") in communications to investors and prospective investors.

46. For example, in February 2009 Kapur represented to an investor that the firm's AUM was $600 million, purportedly comprised of $200 million in the Multi-Strategy Fund (which was roughly accurate) and an additional $400 million in other managed funds (which was false). At that time, ThinkStrategy's only managed fund was the Multi-Strategy Fund, which had approximately $200 million in assets. The Capital Fund account balances had been close to zero for several years. ThinkStrategy and Kapur managed no other funds or accounts.

47. Similarly, in June 2008, at Kapur's direction, ThinkStrategy responded to an investor that the firm had $100 million in two separate managed accounts. In fact, ThinkStrategy and Kapur had no managed accounts aside from the Multi-Strategy Fund at that time.

48. In addition, in a news article published by Institutional Investor, dated April 15, 2004, at a time when Kapur was attempting to raise new money for the Multi-Strategy Fund, Kapur claimed that his other fund, Capital Fund, had $95 million in assets. Kapur republished the article on ThinkStrategy's website between 2005 and 2009. In truth, the Capital Fund's combined assets never exceeded $12 million at any time.

Misrepresentations Concerning ThinkStrategy's Management Team

49. From the firm's inception, ThinkStrategy and Kapur engaged in a pattern of deceptive marketing designed to bolster the purported size, credentials, and experience of ThinkStrategy as a hedge fund manager. These misrepresentations gave the appearance that ThinkStrategy was a sophisticated operation with a well-credentialed team, when in fact the firm was essentially a one-person operation with a few supporting employees.

50. In the section of ThinkStrategy's marketing materials describing the firm's principals and management team, the names of several individuals (aside from Kapur) appeared in various versions with assorted titles, as follows:

- Person A ("Principal," "Vice President," or "Research Analyst")
- Person B ("Advisory Director" or "Principal")
- Person C ("Principal")
- Person D ("Director," "Managing Director," or "Advisory Director")

51. On several occasions, ThinkStrategy also provided purported biographies for these individuals in marketing materials and in due diligence questionnaires, among other places. According to their biographies, each of these individuals had industry experience and had obtained various degrees from the University of Pennsylvania ("Penn"). Kapur himself had received an undergraduate business degree from Penn's Wharton School ("Wharton"), thus giving investors

the impression that Kapur had surrounded himself with a team of his "best and brightest" Wharton classmates.

52. None of the aforementioned individuals had ever been employed by or affiliated with ThinkStrategy. Person A and Person B were students with Kapur at Penn years earlier, but had never been employed by ThinkStrategy nor authorized Kapur to use their names in association with the firm. Person C had never heard of ThinkStrategy or Kapur.

53. Similarly, Person D was never affiliated with ThinkStrategy. Kapur was familiar with Person D because he attended Penn at the same time as Kapur. Person D failed to obtain a degree, contrary to statements in ThinkStrategy's marketing materials that Person D had earned an "MS in Engineering" from Penn and an "MBA in Finance from Wharton Business School."

54. Kapur also misrepresented his own credentials and experience. In marketing materials sent to at least one commercial hedge fund website and at least one large institutional investor, Kapur claimed he had earned an MBA degree from Wharton, although he had only earned an undergraduate degree.

55. In addition, Kapur claimed in marketing materials that ThinkStrategy had begun operations in 1998, when the firm in fact was incorporated in November 2002 and did not begin managing investments until mid-2003. In those same marketing materials, Kapur claimed to possess "over 15 years of experience as an investor, money manager, researcher, and system designer," even though that statement, made in 2003, meant that he would have started his career in 1988 at the age of 14. This was untrue.

56. Kapur was responsible for the foregoing misrepresentations, which appeared in ThinkStrategy's marketing materials over a five-year period, from at least 2003 through 2008.

Misstatements Concerning Due Diligence

57. Beginning as early as 2004, ThinkStrategy and Kapur began marketing Multi-Strategy Fund, a fund of funds that allocated capital to other hedge funds. Under the partnership agreement and offering materials, ThinkStrategy and Kapur had full discretion to allocate the fund assets and provided no information to limited partners concerning the names of sub-funds in the portfolio.

58. ThinkStrategy and Kapur specifically represented to investors that the firm conducted a high level of due diligence on portfolio managers for the hedge funds selected for investment. For example, in marketing materials provided to investors about the Multi-Strategy Fund's investment selection process, ThinkStrategy represented that certain qualitative checks, including "reference checks" and "due diligence checks," were performed on all funds that make the "short list" of 20 or fewer candidates. These materials also list "reputable service providers" as a criterion for any "potentially interesting candidate."

59. Kapur told at least one investor who later invested in Multi-Strategy Fund that ThinkStrategy performed "thorough due diligence" and "background checks" on all fund managers, and that all funds were required to have audited financial statements.

60. In fact, ThinkStrategy consistently failed to conduct thorough due diligence, and did not confirm whether funds had reputable service providers and audited financial statements.

61. ThinkStrategy instead selected hedge funds based primarily on an analysis of their advertised performance returns.

62. As a result, the Multi-Strategy Fund made investments in several hedge funds that were later revealed to be Ponzi schemes or other serious frauds. Had ThinkStrategy required audited financial statements certified by bona fide accounting firms, as represented to investors, the Multi-Strategy Fund may not have invested detrimentally in those funds.

63. In mid-2005, Multi-Strategy Fund invested about $500,000 in Bayou Superfund, LLC ("Bayou"), managed by since-convicted hedge fund manager, Samuel Israel III. Israel was charged by the Commission in September 2005.

64. Israel defrauded investors by misrepresenting Bayou's performance returns in account statements and marketing materials, and by issuing false year-end financial statements with audit opinions from a sham accounting firm called "Richmond-Fairfield Associates," which Bayou's principals had invented.

65. ThinkStrategy conducted no qualitative due diligence on Bayou and Samuel Israel. Specifically, there were no "due diligence checks," "reference checks," "background checks," or other promised efforts to ensure that Bayou had "reputable service providers." Richmond-Fairfield, a fabricated auditor, was not a reputable service provider.

66. After the Bayou fraud was revealed in August 2005, ThinkStrategy made no internal policy changes to improve its due diligence practices. ThinkStrategy continued to distribute the same marketing material described above, and did not correct earlier representations that all funds in the portfolio had "reputable service providers." Accordingly, ThinkStrategy's marketing information continued to mislead investors about the quality of its due diligence.

67. Beginning in 2005 and continuing each year through early 2008, Multi-Strategy Fund made numerous investments – totaling over $32 million – in a hedge fund called Finvest Primer ("Primer Fund"), a fraudulent enterprise managed by Gad Grieve and Finvest Asset Management, LLC ("Finvest") that was also the subject of Commission action in February 2009.

68. ThinkStrategy conducted virtually no qualitative due diligence checks on Finvest or Grieve before making its investments.

69. As with Bayou, Finvest and Grieve perpetrated their fraud on investors in part by disseminating false year-end financial statements with an audit opinion from a fictional accounting firm that Grieve created called "Kass Roland LLC."

70. In 2006, Finvest provided ThinkStrategy with audited 2005 Primer Fund financial statements that were purportedly certified by Kass Roland.

71. A basic effort to look into Kass Roland would have revealed that it was not a bona fide accounting firm, much less a reputable one. Kass Roland, naturally, had no name recognition or reputation. Moreover, Kass Roland had no website, its listed address in the audit report was on

a non-existent street in Jersey City, and its listed phone was answered exclusively by machine. The firm was not licensed by either the Public Company Accounting Oversight Board or the New Jersey Board of Accountancy.

72. Another warning about Primer Fund came in October 2008, when the auditor for Multi-Strategy Fund questioned why Primer Fund had failed to provide audited financial statements for fiscal years 2006 and 2007. The auditor wanted to know what procedures ThinkStrategy had performed to verify the fund valuations.

73. Kapur dismissed the issue in a reply email, stating, "We have received statements from their independent administrator firm, thus are comfortable."

74. Primer Fund's purported administrator was called "Global Hedge Fund Services," another sham entity created by Grieve. ThinkStrategy assumed the firm was legitimate and reputable without inquiry, even though Global Hedge Fund Services was not a bona fide administrator and had no clients other than Finvest.

75. Individually and collectively, these facts should have raised immediate red flags about the legitimacy of Finvest and Primer Fund. ThinkStrategy, however, did not ensure that either Kass Roland or Global Hedge Fund Services was a "reputable service provider" as stated in its marketing materials to investors.

76. Multi-Strategy Fund was similarly harmed by investments in other hedge funds that lacked reputable service providers to serve as a check on their advertised returns and assets. For instance, Multi-Strategy Fund made a $9.5 million investment in Victory Fund ("Victory") and Valhalla Investment Partners ("Valhalla"), which were part of a group of hedge funds advised by Arthur Nadel, who the Commission charged in January 2009 with falsifying historical returns and overstating the funds' assets. Nadel was also criminally indicted in April 2009 on multiple counts of securities, mail, and wire fraud.

77. Contrary to ThinkStrategy's statements that all portfolio hedge funds had reputable service providers, Victory and Valhalla, its feeder fund, had never been audited.

78. Moreover, Nadel, a former New York attorney, had been disbarred and banned from practicing law in 1982 for "dishonesty, fraud, deceit, and misrepresentation." There is no evidence that ThinkStrategy conducted a background check on Nadel as promised to investors.

79. Multi-Strategy Fund also invested $5 million in Atlantis Capital Management, LP ("Atlantis"), a fund managed by Roman Lyniuk. In March 2011, Lyniuk was the subject of Commission proceedings alleging, among other things, numerous material misrepresentations and omissions to investors concerning Atlantis's performance and assets.

80. Atlantis also had no independent auditor or audited financial statements, and thus did not meet ThinkStrategy's purported due diligence standards.

FIRST CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act
[15 U.S.C. § 77q(a)]

81. The Commission realleges and reincorporates paragraphs 1 through 82 as if fully set forth herein.

82. From 2003 through at least 2009, ThinkStrategy and Kapur, by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the offer or sale of securities: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of the securities offered and sold by the Defendants.

83. As alleged above, ThinkStrategy and Kapur knowingly or recklessly overstated performance returns for the Capital Fund, and also misrepresented material facts about the firm and the funds it managed such as inception dates, historical track record, assets, and the quality and size of ThinkStrategy's management team.

84. As further alleged above, ThinkStrategy and Kapur told investors that all sub-funds in the Multi-Strategy Fund's portfolio would have reputable service providers and audited financial statements. ThinkStrategy failed, however, to verify auditors and financial statements as promised, causing Multi-Strategy Fund to invest in several Ponzi schemes or serious offering frauds. At no time did ThinkStrategy and Kapur correct their material misstatements and omissions by disclosing that the promised due diligence had not been performed. ThinkStrategy and Kapur acted knowingly, recklessly, or negligently in engaging in the conduct alleged above.

85. By reason of their actions alleged herein, ThinkStrategy and Kapur each violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF
Violations of Section 10(b) of the Exchange Act
and Rule 10b-5 Thereunder
[15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5]

86. The Commission realleges and reincorporates paragraphs 1 through 87 as if fully set forth herein.

87. From 2003 through at least 2009, ThinkStrategy and Kapur, by use of the means or instrumentalities of interstate commerce or of the mails, in connection with the purchase or sale of securities: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit.

88. Specifically, ThinkStrategy and Kapur knowingly or recklessly overstated performance returns for the Capital Fund, and also misrepresented material facts about the firm and the funds it managed such as inception dates, historical track record, assets, and the quality and size of ThinkStrategy's management team.

89. By reason of their actions alleged herein, ThinkStrategy and Kapur each violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5].

THIRD CLAIM FOR RELIEF
Violations of Section 206(4) of the Advisers Act and Rule 206(4)-8 Thereunder [15 U.S.C. § 80b-6(4); 17 C.F.R. §275.206(4)-8]

90. The Commission realleges and reincorporates paragraphs 1 through 91 as if fully set forth herein.

91. From September 2007 through at least 2009, ThinkStrategy and Kapur: (a) made untrue statements of material fact and omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to investors and/or prospective investors in pooled investment vehicles; and (b) engaged in acts, practices, and/or courses of business that were fraudulent, deceptive, and manipulative with respect to investors and/or proposed investors in pooled investment vehicles.

92. As alleged above, ThinkStrategy and Kapur knowingly or recklessly overstated performance returns for the Capital Fund, and also misrepresented material facts about the firm and the funds it managed such as inception dates, historical track record, assets, and the quality and size of ThinkStrategy's management team.

93. As further alleged above, ThinkStrategy and Kapur told investors that all sub-funds in the Multi-Strategy Fund's portfolio would and did have reputable service providers and audited financial statements. ThinkStrategy failed, however, to verify auditors and financial statements as promised, causing Multi-Strategy Fund to invest in several Ponzi schemes or serious offering frauds. At no time did ThinkStrategy and Kapur correct their misstatements and omissions by disclosing that the promised due diligence had not been performed. ThinkStrategy and Kapur acted knowingly, recklessly, or negligently in engaging in the conduct alleged above.

94. By reason of their actions alleged herein, ThinkStrategy and Kapur each violated Section 206(4) of the Investment Advisers Act and Rule 206(4)-8 thereunder [15 U.S.C. § 80b-6(4); 17 C.F.R. §275.206(4)-8].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

(i) Enter judgment in favor of the Commission finding that ThinkStrategy and Kapur each violated the securities laws and rules promulgated thereunder as alleged herein;

(ii) Permanently enjoin ThinkStrategy and Kapur from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder [15 U.S.C. §§ 77q(a), 78j(b), 80b-6(4); 17 C.F.R. §§ 240.10b-5, 275.206(4)-8];

(iii) Order ThinkStrategy and Kapur, jointly and severally, to disgorge the profits and proceeds they obtained as a result of their actions alleged herein, and to pay prejudgment interest thereon;

(iv) Order ThinkStrategy and Kapur each to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act, Section 21(d)(3) of the Exchange Act, and Section 209(e) of the Advisers Act [15 U.S.C. §§ 77t(d), 78u(d)(3), 80b-9(e)]; and

(v) Grant such other relief as the Court may deem just and proper.

Date: November 7, 2011

Respectfully submitted,

John D. Worland Jr.

John D. Worland, Jr.
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549
202-551-4438
202-772-9292 (fax)
worlandj@sec.gov

H. Michael Semler
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549
202-551-4429

Of Counsel:
Robert B. Kaplan
Scott F. Weisman
Darren E. Long

202-772-9292 (fax)
semlerm@sec.gov